

## **AGRICULTURE AND NATURAL RESOURCES BUDGET INFORMATION**

### **General Overview**

**Departments** -- The Agriculture and Natural Resources Appropriations Subcommittee appropriates money for the following Departments:

- Department of Agriculture and Land Stewardship (DALs)
- Department of Natural Resources (DNR)
- Iowa State University (ISU) -- two programs

**Revenue Sources** -- The basic revenues sources include:

- General Fund appropriations
- Other Fund appropriations:
  - Fish and Game Trust Fund
  - Environment First Fund
  - Groundwater Protection Fund
  - Rebuild Iowa Infrastructure Fund
  - Underground Storage Tank Fund
- Federal Funds
- Fees from licenses or permits
- Intra State receipts -- money transferred between Departments
- Interest Income

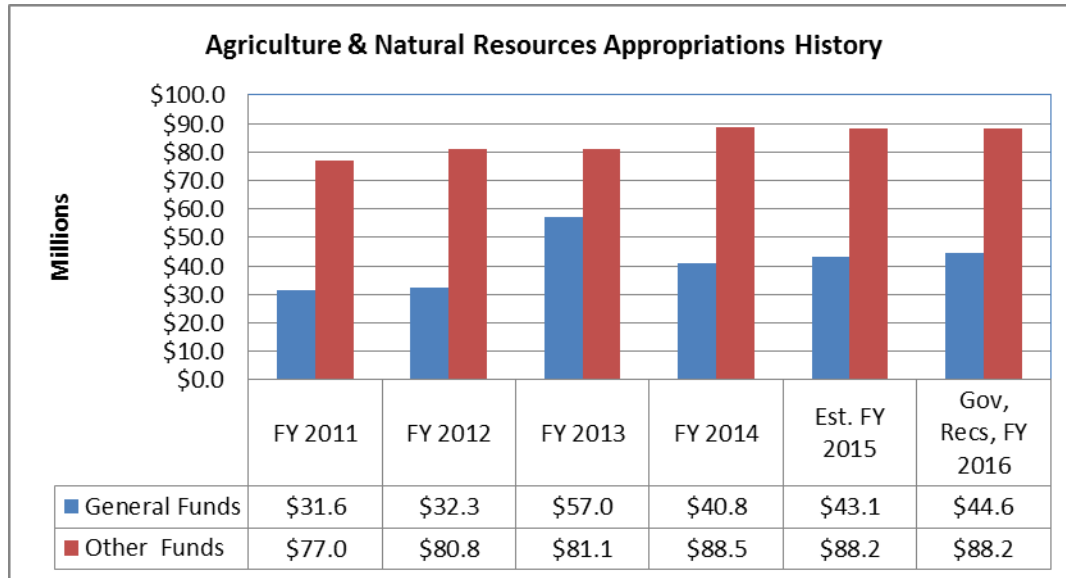
**Expenditures for Departments** -- The basic expenditures include:

- Personal services or salaries and that includes employee benefits
- Employee travel within and outside of Iowa
- Driving and maintaining a vehicle owned by the State
- Administrative costs for supplies, utilities, communications, etc.
- Payments for contract help or professional services
- Payment for conservation practices and capital projects
- Intra State transfer of money between Departments

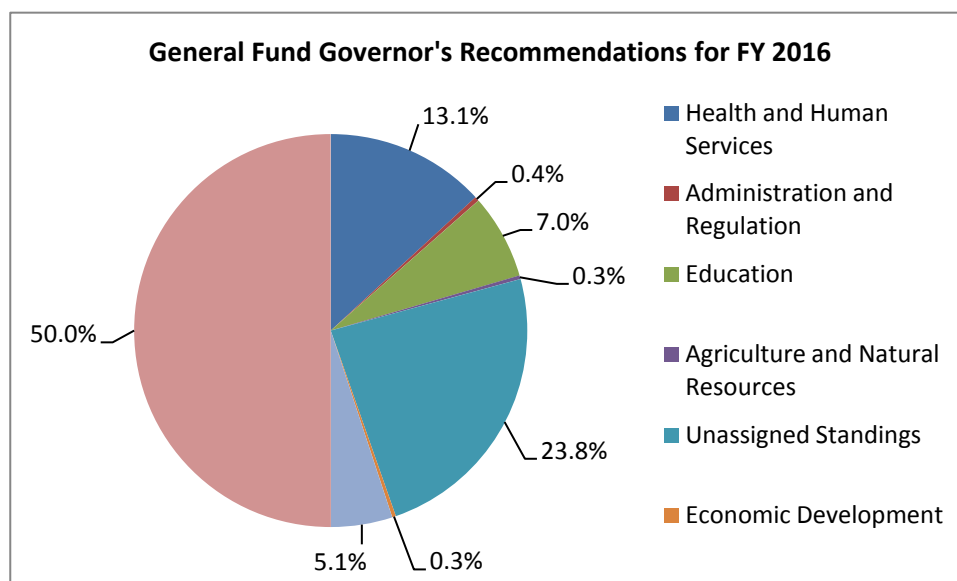
**Budget Process** -- The members of the Agriculture and Natural Resources Appropriations Subcommittee will listen to program presentations during Subcommittee meetings. In February or March, budget targets will be announced by the Senate and the House for each Appropriations Subcommittee and that will be the total amount of money for the Agriculture and Natural Resources Budget Subcommittee. The Subcommittee will determine how the money will be appropriated to the Departments.

### AGRICULTURE AND NATURAL APPROPRIATIONS

**Appropriations History** -- The following chart details the General Fund and Other Funds appropriated by the Agriculture and Natural Resources Appropriations Subcommittee over the past five years.



**General Fund Total Appropriations** -- The chart below details the General Fund Governor's Recommendations for FY 2016. The Agriculture and Natural Resources General Fund Appropriation is 1.0% of the total.



**DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP****General Fund Recommendations**

	Estimated FY 2015	Dept Request FY 2016	Gov Rec FY 2016	Gov Rec vs Est FY 2015
	(1)	(2)	(3)	(4)
<b><u>Agriculture and Land Stewardship</u></b>				
<b>Agriculture and Land Stewardship</b>				
Administrative Division	\$ 17,655,492	\$ 17,655,492	\$ 17,655,492	\$ 0
Milk Inspections	189,196	189,196	189,196	0
Farmers with Disabilities	130,000	130,000	130,000	0
Local Food and Farm	75,000	75,000	75,000	0
Agricultural Education	25,000	25,000	25,000	0
Water Quality Initiative	4,400,000	7,500,000	4,400,000	0
GF-Ag Drainage Wells	0	1,920,000	0	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 22,474,688</b>	<b>\$ 27,494,688</b>	<b>\$ 22,474,688</b>	<b>\$ 0</b>

**Other Fund Recommendations**

	Estimated FY 2015	Dept Request FY 2016	Gov Rec FY 2016	Gov Rec vs Est FY 2015
	(1)	(2)	(3)	(4)
<b><u>Agriculture and Land Stewardship</u></b>				
<b>Agriculture and Land Stewardship</b>				
Native Horse & Dog Prog-Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	500,000	0
Fuel Inspection - UST	250,000	250,000	250,000	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 1,055,516</b>	<b>\$ 1,055,516</b>	<b>\$ 1,055,516</b>	<b>\$ 0</b>
<b><u>Loess Hills Dev. and Conservation</u></b>				
Loess Hills - EFF	\$ 600,000	\$ 600,000	\$ 600,000	\$ 0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 1,655,516</b>	<b>\$ 1,655,516</b>	<b>\$ 1,655,516</b>	<b>\$ 0</b>

**FY 2016:** The Governor is recommending General Fund appropriations totaling \$22,474,688. This is no change compared to estimated FY 2015. The Governor is also recommending other fund appropriations totaling \$14,480,516 for FY 2016. This is no change compared to estimated FY 2015. The Governor is recommending funding increases for the Department for infrastructure programs for FY 2016. This includes an increase of \$1,920,000 for the Agriculture Drainage Well Program from the Rebuild Iowa Infrastructure Fund (RIIF), an increase of \$3,100,000 for the Water Quality Initiative from the RIIF, and a new appropriation of \$250,000 for the Silos and Smokestacks Program from the State Bond Repayment Fund.

## Discussion Items

**Agriculture Drainage Wells Program** – This Program provides cost-share funding to landowners to close agriculture drainage wells. By closing the wells and developing alternative drainage, drinking water aquifers are protected. Funding levels have varied over the years, however, there was no funding for FY 2015. Currently, there are 36 wells that remain open.

*The Governor is recommending funding of \$1,920,000 for FY 2016 from the RIIF. This is a new appropriation and is included in the Other Funds tracking document for the Transportation, Capitals, and Infrastructure Subcommittee. The DALs estimates the funding will close 17 wells.*

**Water Quality Initiative (WQI)** – The Department received a General Fund appropriation of \$4,400,000 for FY 2015, an increase of \$2,000,000 for the WQI. During 2014, \$1,400,000 was allocated statewide for conservation practices and the majority of the funding was used for cover crops. An additional five targeted watershed demonstration practices were also implemented in 2014. The [2015 Legislative Report](#) is available on the DALs website and provides detailed information related to the WQI.

*The Governor is recommending funding of \$3,100,000 for FY 2016 from the RIIF. This is a new appropriation and is included in the Other Funds tracking document for the Transportation, Capitals, and Infrastructure Subcommittee.*

**Silos and Smokestacks National Heritage Area** – The Silos and Smokestacks National Heritage Area (SSNHA) was designated in 1996 by the federal government and included the farms and industries that comprise agribusiness. This Area covers the northeast portion of Iowa and includes 37 counties and the cities of Des Moines, Cedar Rapids, Davenport, Waterloo, Dubuque, and Iowa City. The SSNHA is one of the 49 designated areas in the country and is an Affiliated Area of the National Park Service that recognizes over 90 community and privately-operated sites that describe the development of agriculture in the United States. This includes dairy farms, museums, vineyards, and tractor production plants, as well as the Amana Colonies and Living History Farms.

*The Governor is recommending funding of \$250,000 for FY 2016 from the State Bond Repayment Fund. This is a new appropriation and is included in the Other Funds tracking document for the Transportation, Capitals, and Infrastructure Subcommittee.*

**DEPARTMENT OF NATURAL RESOURCES****General Fund Recommendations**

	Estimated FY 2015	Dept Request FY 2016	Gov Rec FY 2016	Gov Rec vs Est FY 2015
	(1)	(2)	(3)	(4)
<b><u>Natural Resources, Dept. of</u></b>				
<b>Natural Resources</b>				
Natural Resources Operations	\$ 12,862,307	\$ 12,862,307	\$ 12,862,307	\$ 0
Floodplain Management Program	2,000,000	2,000,000	2,000,000	0
Forestry Health Management	450,000	450,000	450,000	0
Air Quality Program Support	0	0	1,500,000	1,500,000
<b>Total Natural Resources, Dept. of</b>	<b>\$ 15,312,307</b>	<b>\$ 15,312,307</b>	<b>\$ 16,812,307</b>	<b>\$ 1,500,000</b>

**Other Fund Recommendations**

	Estimated FY 2015	Dept Request FY 2016	Gov Rec FY 2016	Gov Rec vs Est FY 2015
	(1)	(2)	(3)	(4)
<b><u>Natural Resources, Dept. of</u></b>				
<b>Natural Resources</b>				
Fish & Game- DNR Admin Expenses	\$ 41,223,225	\$ 41,223,225	\$ 41,223,225	\$ 0
GWF - Storage Tanks Study	100,303	100,303	100,303	0
GWF - Household Hazardous Waste	447,324	447,324	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	1,686,751	0
GWF - Landfill Alternatives	618,993	618,993	618,993	0
GWF - Waste Reduction and Assistance	192,500	192,500	192,500	0
GWF - Solid Waste Authorization	50,000	50,000	50,000	0
GWF - Geographic Information System	297,500	297,500	297,500	0
Snowmobile Registration Fees	100,000	100,000	100,000	0
Administration Match - UST	200,000	200,000	200,000	0
Technical Tank Review - UST	200,000	200,000	200,000	0
Volunteers and Keepers of Land - EFF	100,000	100,000	100,000	0
Park Operations & Maintenance - EFF	6,135,000	6,335,000	6,135,000	0
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	1,320,000	1,320,000	1,320,000	0
Ambient Air Quality Monitoring - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
Keep Iowa Beautiful - EFF	200,000	0	200,000	0
REAP - EFF	16,000,000	16,000,000	16,000,000	0
Forestry Health Management - EFF	50,000	50,000	50,000	0
<b>Total Natural Resources, Dept. of</b>	<b>\$ 73,754,057</b>	<b>\$ 73,754,057</b>	<b>\$ 73,754,057</b>	<b>\$ 0</b>

**FY 2016:** The Governor is recommending General Fund appropriations totaling \$16,812,307. This is an increase of \$1,500,000 compared to estimated FY 2015 for the support of Air Quality Programs. The Governor is also recommending other fund appropriations totaling \$73,754,057 for FY 2016. This is no change compared to estimated FY 2015.

## Discussion Items

**Air Quality Program Support** – The Title V Air Operating Permit Program is the federal program established under the Clean Air Act and is administered by the federal Environmental Protection Agency (EPA). Air quality permits are issued to large or major sources of air pollution and fees are collected. The EPA has approved the DNR to issue federal Title V Operating Permits and collect annual emission fees. Iowa's Title V fee is based on the first 4,000 tons of each regulated air pollutant emitted each calendar year from each major stationary source. Currently, the Iowa fee is \$56 per ton for the first 4,000 tons of each regulated pollutant. The fees are deposited in the Air Contaminant Source Fund and the funds are transferred to the DNR Air Quality Bureau to pay for the cost of issuing construction permits, prevention of significant deterioration (PSD) permits, and operating permits. The General Assembly enacted HF 2473 ([FY 2015 Standings Appropriations Act](#)) that created a stakeholder group to meet and make recommendations related to funding for the Air Quality Program. The group issued a [report](#) in November 2014, and one of the recommendations was to increase State funding levels from the General Fund.

*The Governor is recommending funding of \$1,500,000 for FY 2016 from the General Fund. This is a new appropriation.*

**Forestry Health Management** – The Emerald Ash Borer (EAB) has been confirmed in the following counties: Allamakee, Des Moines, Jefferson, Cedar, Union, Black Hawk, Wapello, Bremer, Jasper, Henry, Muscatine, Story, Appanoose, Lucas, Mahaska, Marion, and Monroe. The EAB is a beetle that originated in Asia and was discovered in Canton, Michigan, in June 2002. The EAB larvae feed on the inner bark of ash trees, disrupting the tree's ability to transport water and nutrients eventually destroying the tree.

*The Governor is recommending funding of \$450,000 per year for FY 2016 and for FY 2017 from the General Fund for monitoring forest and tree health conditions. This is no change compared to estimated FY 2015.*

## **BOARD OF REGENTS**

### General Fund Recommendations

	Estimated FY 2015 (1)	Dept Request FY 2016 (2)	Gov Rec FY 2016 (3)	Gov Rec vs Est FY 2015 (4)
<b><u>Regents, Board of</u></b>				
<b><u>Regents, Board of</u></b>				
ISU - Iowa Nutrient Research Center	\$ 1,325,000	\$ 1,348,188	\$ 1,325,000	\$ 0
ISU - Veterinary Diagnostic Laboratory	4,000,000	4,000,000	4,000,000	0
<b>Total Regents, Board of</b>	<b>\$ 5,325,000</b>	<b>\$ 5,348,188</b>	<b>\$ 5,325,000</b>	<b>\$ 0</b>

## Discussion Items

FY 2016: The Governor is recommending General Fund appropriations totaling \$5,325,000. This is no change compared to estimated FY 2015.

**Environment First Fund**

The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs and received a standing appropriation of \$35,000,00 in FY 2001 from the RIIF; however, funding has varied over the years and the current standing appropriation is \$42,000,000.

*The Governor is recommending funding of \$42,000,000 from the Environment First Fund. This is no change in funding compared to estimated FY 2015.*

	Estimated FY 2015	Dept. Request FY 2016	Gov Rec FY 2016	Gov Rec vs Est FY 2015
<b><u>Agriculture and Land Stewardship</u></b>				
<b>Agriculture and Land Stewardship</b>				
Conservation Reserve Enhance - EFF	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Soil & Water Conservation - EFF	2,550,000	2,550,000	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Cost Share - EFF	6,750,000	6,750,000	6,750,000	0
Loess Hills - EFF	600,000	600,000	600,000	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 13,425,000</b>	<b>\$ 13,425,000</b>	<b>\$ 13,425,000</b>	<b>\$ 0</b>
<b><u>Natural Resources, Dept. of</u></b>				
<b>Natural Resources</b>				
Volunteers and Keepers of Land - EFF	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Park Operations & Maintenance - EFF	6,135,000	6,335,000	6,135,000	0
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	1,320,000	1,320,000	1,320,000	0
Ambient Air Quality Monitoring - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
Keep Iowa Beautiful - EFF	200,000	0	200,000	0
REAP - EFF	16,000,000	16,000,000	16,000,000	0
Forestry Health Management - EFF	50,000	50,000	50,000	0
<b>Total Natural Resources, Dept. of</b>	<b>\$ 28,575,000</b>	<b>\$ 28,575,000</b>	<b>\$ 28,575,000</b>	<b>\$ 0</b>
<b>Total Agriculture and Natural Resources</b>	<b>\$ 42,000,000</b>	<b>\$ 42,000,000</b>	<b>\$ 42,000,000</b>	<b>\$ 0</b>

Staff Contact: Deb Kozel (515-281-6767) [deb.kozel@legis.iowa.gov](mailto:deb.kozel@legis.iowa.gov)